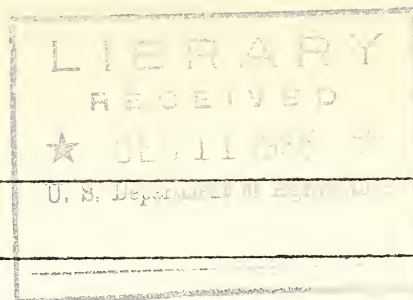


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Extracts



No. 2

Publication Extracts Which Present Diversified Viewpoints
On The Question

DO FARMERS WANT THE FEDERAL GOVERNMENT TO HELP THEM DEAL
WITH FARM PROBLEMS ?

Discussion Series C. - No. 2

-----Introductory Note-----

The publication extracts brought together in this form represent an effort to provide assistance for organizations and individuals in conducting county and other forums on questions of interest to rural people. They will be helpful particularly to persons preparing to take part in or present forum discussion.

U. S. Department of Agriculture

The Extension Service and the
Agricultural Adjustment Administration, Cooperating.

Washington, D.C.

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What Planning Means: R.G. Tugwell

"A central group of experts charged with the duty of planning the country's economic life, but existing as a suggestive or consultative body only, without power, has been advocated by numerous persons and organizations. It is quite impossible to visualize a genuine Gosplan without power; but, of course, this is not to be a Gosplan. It might lay out suggested courses; it might even timidly advise; but certainly its advice would seldom, if ever, be taken. It would be as unnatural for American businesses, which live by adventures in competition, to abdicate their privileges voluntarily, as it is to expect rival militarists to maintain peace, and for the same reasons. If an institution of this sort could not be used as a mask for competitive purposes or as a weapon to be used against more scrupulous rivals, as the Federal Trade Commission has sometimes been, it would quickly gather about itself a formidable body of enemies armed with tried theoretical objection as well as real power. The chief concern of militarists must always be to maintain the conditions of war; and the chief concern of essentially speculative businesses must always be to maintain the conditions of conflict necessary to their existence. The deadliest and most subtle enemy of speculative profit-making which could be devised would be an implemented scheme for planning production. For such a scheme would quiet conflict and inject into economic affairs an order and regularity which no large speculation could survive. Every depression period wearies us with insecurity; the majority of us seem all to be whipped at once; and what we long for temporarily is safety rather than adventure. Planning seems at first to offer this safety and so gains a good deal of unconsidered support. But when it is discovered that planning for production means planning for consumption too; that something more is involved than simple limitation to amounts which can be sold at any price producers temporarily happen to find best for themselves; that profits must be limited and their uses controlled; that what really is implied is something not unlike an integrated group of enterprises run for its consumers rather than for its owners--when all this gradually appears, there is likely to be a great changing of sides.

"Any new economic council will be hampered on every side; it will be pressed for favors and undermined by political jobbery. It will not dare call its soul its own, nor speak its mind in an emergency. But it will be a clear recognition, one that can never be undone, that order and reason are superior to adventurous competition. It will demonstrate these day by day and year by year in the personnel of a civil service devoted to disinterested thinking rather than romantic hopes of individual gain. Let it be as poor a thing as it may, still it will be a constant reminder that once business was sick to death and that it will be again; that once the expert is applied for, his advice must be taken or refuted. Even if it does so little, and that so badly, as hardly to exist at all, it will still have had a different purpose; the achieving of order. And not improbably it will have been demonstrably wiser than the powers which will be creating the events surrounding it.

"The first series of changes will have to do with statutes, with constitutions, and with government. The intention of eighteenth and nineteenth century law was to install and protect the principle of conflict; this, if we begin to plan we shall be changing once for all, and it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an

enlarged and nationalized police power for enforcement. We shall also have to give up a distinction of great consequence, and very dear to many a legalistic heart, but economically quite absurd, between private and public or quasi-public employments. There is no private business, if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest. Furthermore we shall have to progress sufficiently far in elementary realism to recognize that only the federal area, and often not even that, is large enough to be coextensive with modern industry; and that consequently the states are wholly ineffective instruments for control. All three of these wholesale changes are required by even a limited acceptance of the planning idea.

"Planning is by definition the opposite of conflict; its meaning is aligned to co-ordination, to rationality, to publicly defined and expertly approached aims; but not to private money-making ventures; and not to the guidance of a hidden hand. It is equally true that planning in any social sense cannot leave out of its calculations any industry or group of industries and still remain planning. To do so would be to expose the scheme to the very uncertainty which is sought to be eliminated and to concentrate its advantages in the hands of the nonco-operators. It would be easy for any free industry to erect an empire if all or even many of the others were restricted. It will be required, furthermore, in any successful attempt to plan, that the agency which imposes its disinterested will on industry, must equal, in the area of its jurisdiction, the spread of the industry. Planning will necessarily become a function of the federal government; either that or the planning agency will supersede that government, which is why, of course, such a scheme will eventually be assimilated to the state, rather than possess some of its powers without its responsibilities.

"The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant. The essence of business is its free venture for profits in an unregulated economy. Planning implies guidance of capital uses; this would limit entrance into or expansion of operations. Planning also implies adjustment of production to consumption; and there is no way of accomplishing this except through a control of prices and of profit margins. It would never be sufficient to plan production for an estimated demand if that demand were likely to fail for lack of purchasing power. The insurance of adequate buying capacity would be a first and most essential task of any plan which was expected to work. To take away from business its freedom of venture and of expansion, and to limit the profits it may acquire, is to destroy it as business and to make of it something else. That something else has no name; we can only wonder what it may be like and whether all the fearsome predictions concerning it will come true. The traditional incentives, hope of money-making, and fear of money-loss, will be weakened; and a kind of civil-service loyalty and fervor will need to grow gradually into acceptance. New industries will not just happen as the automobile industry did; they will have to be foreseen, to be argued for, to seem probably desirable features of the whole economy before they can be entered upon.

"This sweeping statement of the logic of planning is simply an attempt to foresee what our economic institutions will be like if we adopt the planning principle. We shall not, we never do, proceed to the changes here suggested

all at once. Little by little, however, we may be driven the whole length of this road; once the first step is taken, which we seem about to take, that road will begin to suggest itself as the way to a civilized industry. For it will become more and more clear, as thinking and discussion centers on industrial and economic rather than business problems, that not very much is to be gained until the last step has been taken. What seems to be indicated now is years of gradual modification, accompanied by agonies and recriminations, without much visible gain; then, suddenly, as it was with the serialization of machines, the last link will almost imperceptibly find its place and suddenly we shall discover that we have a new world, as, some years ago, we suddenly discovered that we had unconsciously created a new industry.

"These struggles and changes may seem to the future historian who looks backward, like the purposive journey of a seedling toward the light. The seedling could not see or feel that light; it merely obeyed its nature. If only society had a greater and more widely diffused power to comprehend and pursue the purposes of its nature we should save ourselves the great waste of energy which goes into opposing and regretting change. The difficulty with this is that society is not an organism; that it has no discoverable nature to obey; that there are no natural requirements for its development. We are not going anywhere; we are merely on the way. For this lack of the purpose, which nature kindly supplies to her lower organisms, society must substitute plans born of intellectual effort, and imposed by awkward democratic devices. This is a hard condition for human nature. We have no great gift for shaping our behavior in accordance with large aims, and no great gift either for tolerating the necessary disciplines. It has been by a series of seeming miracles that we have acquired the technique of control and the industrial basis for economic planning. The still further, perhaps greater, miracle of discipline is needed."

"The Principle Of Planning"

R. G. Tugwell,

The American Economic Review,
March 1932.

Bureaucracy As It Is--C. and W. Beard

"How is the case presented? Government is portrayed as a tissue of corruption, waste, extravagance, inefficiency, and futility. A great sensation is worked up over the expenditure of public money for the distribution of lantern slides on 'First Aid in Window Curtaining.' The finances of the Shipping Board, the Farm Board, and the Post Office Department are exhibited in tables, curves, and humps. Teapot Dome and Tammany's tin boxes are displayed--with caution and reference to observers. And on the whole a gruesome picture is successfully concocted out of innumerable fragments.

"On the other side we see the honest, efficient man of business eager to 'set our productive forces free' and do good to mankind, ready to do it, if he could only get rid of foolish and hampering regulations administered by the bureaucracy. Our pioneer spirit of independence and freedom, it is urged, balks at these restraints; if the government would only get out of the way, this spirit would 'start things up again.' Why don't we do something about it?

"Strictly speaking a bureaucracy is a permanent body of civil servants, selected and promoted on principles of merit and competence rather than on grounds of partisan service. It is classified and graded and paid salaries and wages which, save in exceptional times, are usually lower than similar services command in the business world. The bureaucracy in its several divisions--for it is not a united body--carries on the work of government from day to day, while politicians come and go. Composed of human beings it possesses its share of stupidity. Tied by laws and administrative orders and accounting regulations, it is inclined to routine and to shrink from the unusual which the hazards and incidents of real life are constantly throwing up for consideration and action. What we really mean when we speak of bureaucratic folly is simply human stupidity which we do not like, the bureaucratic locus being really incidental to the transaction. Probably every case of bureaucratic stupidity could be paralleled by one on the part of some high political official or some captain of industry (if the truth should get out).

"Evidently, then, as these random illustrations indicate, the business of the bureaucracy is highly complicated and is not to be disposed of with a bludgeon. It runs to the very root of American civilization. It involves nearly all functions touching the care and protection of human life in America and touching the operations of national economy as well. If the entire bureaucracy should quit functioning for a day, water would cease to flow at most faucets, sewer pumps would stop, guides to navigation on the sea and in the air would be cut off, epidemics would spread swiftly from lurking centres, millions of school children would run home to make problems for their harassed parents, criminals and lunatics would break loose from their cells, thousands of sick in the hospitals would go hungry, and the publicly operated charities would close, with what discomforts to our very best people no one could tell. This bureaucracy serves society with all the sciences and arts known to modern age, beginning with agronomy at the top and running down through bacteriology, biology, chemistry, electrical engineering, hydraulics to X-ray expertism and zymotic disease specialism at the bottom--an amazing technical and economic structure, reaching in its ramifications far beyond the eye of any single observer.

"It would be easy to pick out illustrations of steady and efficient functioning on the part of numerous bureaus and agencies in Washington--work done by the bureau of mines in saving human lives, by the coast guard in stormy seas winter and summer, by the men who manage the vast system of airways, by the forest service in conserving and guarding the national forest domain, by the public health service, and so on through a catalogue filling a volume. Where we find a bureau functioning in some field that does not invite collision with private enterprise, we usually discover the most intelligence and public spirit. But generally the bureaus are hampered in constructive work by acquisitive pressures from the outside. Take the forest service, for example. Private lumber concerns in the United States are now generally in favor of conservation, because they do not want any more federal timber lands opened for exploitation. They have too much unsold lumber on hand. But they do not want any rational use of federal timber, for the same reason; and millions of board feet are rotting in the federal forests. That is not the fault of the forest bureaucracy. Additional illustrations would be superfluous."

"The Case For Bureaucracy"
Charles and William Beard,
Scribner's - April, 1933

What Scrapping The Constitution Means:--James Truslow Adams

"A much younger and less experienced publicist, W. K. Wallace, in his recent volume, Our Obsolete Constitution, is typical of those who wish to reconstruct our whole national life and abolish our present form of government altogether, and claims, rather oddly, that scrapping it and adopting a new one is the only way to avoid revolution. What does he mean by 'constitution' and 'revolution'?

"Apparently, like many others, he considers the former to be merely the document which was drawn up in 1787. Of course this was the Constitution when the government started to function, but a reading of even so well-known an essay as Bryce's Flexible and Rigid Constitutions should have taught him that as a nation develops it builds up an aggregate of laws and customs, consonant with its character, which is in truth its 'constitution.' Wallace complains, with lack of understanding of what a constitution is, that we have broken through ours again and again. He does not realize that by that very process, which is that of all organic life, we have been developing a real and flexible constitution out of the few written rules with which, as a new government, we had to start. The author objects greatly, for example, to the Supreme Court, yet there is nothing in what he calls the 'constitution' which gives that body the slightest right to pass on the constitutionality of laws made by Congress. When it does so, however, we do not consider that the court is acting unconstitutionally, because it is acting in accordance with that 'aggregate of laws and customs' which we as a nation have consciously and unconsciously built up to serve as our 'constitution.' To scrap the 'constitution' would thus mean, not to scrap the document of 1787, but to scrap all the laws and customs which in 150 years have been the natural and almost unnoticed growth of our national habits, character, and ways of doing things.

"This does not, of course, mean that the Constitution does not require revision in many particulars. In some cases, as in changing the date for the inauguration of a President, formal amendment was required. In many others, as in the change of method of election of a President, formal amendment was required. In many others, as in the change of method of election of a President from that prescribed in the document of 1787, or of the growth of power in the Supreme Court to pass on the 'constitutionality' of Acts of Congress, changes come without formal action. We have spent 150 years in developing a set of rigid rules into a flexible 'constitution,' and it would be a waste of all that has happened to substitute merely a new set of rigid rules which in turn would have to become flexible by becoming adapted to our growth over a long period."

"America's Real Job"

James Truslow Adams

Scribner's - April, 1933

As The Constitution Stands:--James Truslow Adams

"The fact is that under our present Constitution the majority of the people can really do about as they like. The change in the nature of property, as I have just said, has become enormous in the last two generations, and either by formal amendment to the original documentary Constitution, by use of the taxing and other powers, or by evident change in public opinion, almost any

alteration can be made in the relations of the citizen to his property or to the state. With or without formal amendment, the people can alter the Constitution to any extent, when they want to. It is very annoying to many minorities that they do not want to on one point or another. That does not alter the fact that the majority does not want to, and that if only enough people, from experience, education, or propaganda, decide they do want to, they do it. We have, in fact, made five formal amendments of great importance to the document of 1787 in the past twenty years, or at the rate of one every four years, and shall probably soon make another."

"America's Real Job"
James Truslow Adams
Scribner's
April, 1933

The Constitution Was Not Passed By Popular Votes:--James Bryce

"Constitution was not passed by popular vote.

"Had the decision (to adopt the Constitution) been left to what is now called the 'voice of the people' that is, to the mass of citizens all over the country, voting at the poles, the voice of the people would probably have pronounced against the Constitution, and this would have been still more likely if the question had been voted on everywhere upon the same day, seeing that several doubtful states were influenced by the approval which other states had already given. But the modern method of taking the popular judgment had not been invented. The question was referred to conventions in the several states. The conventions were composed of able men, who listened to thoughtful arguments, and were themselves influenced by the authority of their leaders. The counsels of the wise prevailed over the prepossessions of the multitude. Yet, these counsels would have hardly prevailed but for a cause which is apt to be now overlooked. This was the dread of foreign powers."

"History of The Constitution"
James Bryce.

Thomas Jefferson On Constitutional Changes

"Laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened as new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also and keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy, as civilized society to remain even under the regimen of their ancestors. Let us follow no such examples, nor weakly believe that one generation is not capable as another of taking care of itself and of ordering its own affairs."

Thomas Jefferson, 1816

The Planning Situation As It Is:--Henry A. Wallace

"Here is the situation the present administration inherited, and some part of this situation will stretch at least 10 years into the future: 50,000,000 acres of land were put in crops during the war, and were kept there, on unrecoverable loans made by this Government abroad. We lent Europe money to buy our crops. The loans were unrecoverable because we hoisted tariff barriers and would not accept goods in return. The showdown, and the ending of all that, came in 1930.

"The 50,000,000 acres are still there. What shall we do about them? Sink back into the 1932 situation? Sink back into a do-nothing-but-hope attitude? Start lending money again to pump up again a false market for the crops of that land? Continue adjustment payments as now? Or build up foreign purchasing power soundly, by lowering tariffs, and importing a greatly increased amount of foreign goods?

"Many people do not like crop control and they do not like the processing taxes. They say that processing taxes are, in effect, sales taxes. In a way, they are; but so are tariffs. Every farm-relief drive has started off as a drive for a tariff-equivalent measure for agriculture. But because the tariff is so explosive a subject politically, cutting the old party lines into a maze of local interests, industrial and agricultural, the tariff-equivalent aspects of farm relief are little stressed, as a rule, by partisans.

"In presenting to the Nation at Topeka the fundamentals of our present program of agricultural adjustment, President Roosevelt frankly said that the domestic-allotment plan, with its processing taxes, was designed to give farmers tariff-equivalent protection. And we who are in the agricultural adjustment end of his administration have stated repeatedly that the emergency phase of our program is designed primarily to hold the fort until the people of the United States as a whole are willing to permit a sane relaxation of tariffs.

"If tariffs are lowered, and many more foreign goods are brought in to repay farmers and others for goods shipped abroad, we can have fewer and lower processing taxes. To the extent that we levy on and restrict trade at our borders, however, we must maintain compensating restrictions to sustain agriculture--our greatest exporting business--within. The processing tax is the farmers' tariff. We cannot get along without it and have high tariffs too.

"The very first thing we tried to stress about the A.A.A. was its adjustability to changing circumstances and emergencies. Immediately after the passage of the Farm Act, in May of 1933, I went on the air, and said:

'The first job is to organize American agriculture to reduce its output to domestic need, plus that amount which we can export at a profit. If it happens that the world tide turns, we still can utilize to excellent advantage our crop adjustment set-up. We can find out how much they really want over there, and at what price; and then we can take off the brakes and step on the gas a little at a time, deliberately, not recklessly and blindly, as we have in the past. * * * But first a sharp downward adjustment is necessary, because we have defiantly refused to face an overwhelming reality, and changed world conditions bear down on us so heavily as to threaten our national life.

"The thought I was then trying to develop is that it is a poor piece of social machinery which is built to operate always in reverse. The A.A.A. was not thus planned or built. We have in it something new, and still crude, but it is a typically American invention equipped to meet crises, go around or through them.

"Our agricultural adjustment machinery could readily be turned to spur rather than to check farm production, should need arise. If this country should ever attain to an enlightened tariff policy, reopening world trade; or if there should be war beyond the ocean and other nations clamor for our foods again, it is conceivable that we might offer adjustment payments for more, rather than for less acreage, in certain crops.

"That is the very last use I should want to see our adjustment machinery put to, but it could ameliorate the waste and suffering of such an emergency, just as it can meet and to some extent ameliorate the suffering caused by this drought. With controls locally organized and democratically administered, we could provision a war in an orderly, organized manner, with far less of that plunging, uninformed and altogether unorganized overplanting which got us into so much trouble during and after the last great war.

"The Agricultural Adjustment Act is an adjustment act, not merely a reduction act. Reduction was the first aim because surpluses had accumulated. Most of these surpluses will be down to normal by next summer. That will call for a new attack; and perhaps advance a march toward stored surpluses for lean years and insurance of a continued and stable food supply. I hope also that with explosive crop surpluses out of the way, not only in this but in other countries, we shall find ourselves in a better position to reorganize farm production on less cramped and denying lines; to lower tariffs, and to resume world trade."

"A Charted Course Toward Stable Prosperity"
Henry A. Wallace,
Issued U. S. Dept. of Agriculture,
Sept. 1934

Planning Is A Remedy:--F. W. Taussig

"A parallel can be drawn between the perplexities which confront the economists and the doctors about their gravest problems.

"The most tragic thing the doctors have to face is cancer . . . yet the profession hardly knows what to do; no preventive is known, no cure.

"Much the same can be said about the economists and commercial depression; we have clues and we have theories, and we are convinced as regards the rejection of some supposed cures and panaceas.

"The analogy can be carried farther. The doctors are sure that most of the proposed and advertised remedies for cancer are worthless, or worse than worthless, not only do no good, but may do harm. The economists have the same conviction about sundry popular remedies for depressions; they do not know just what will work, but feel quite sure that many measures are proposed which will not work.

"National planning -- a deliberate control of industrial changes is the one thing that has a claim to be a remedy. No one can say what is the best way of organizing for this sort of thing, and still less can one say what will be the effects. Quite new lessons would have to be learned: how to plan, how to carry out plans. There would be false steps; the obstacles which arise under our cumbersome constitutional system; the perpetual and disheartening maneuvering and manipulation of politicians and business contrivers; the clamor for non-intervention by one locality or industry, for intervention by another. Such experiences are familiar in the work of planning and regulating bodies which have been set up in the last generation or two: the Interstate Commerce Commission, the Federal Trade Commission, the Federal Reserve Board, the blessed Tariff Commission, and the no less blessed Department of Commerce. I have the utmost sympathy and good-will for those who urge for more of control, forecast, regulation and I try to maintain the sympathetic feelings even when the talk is hazy and the exhortation pointless. We must squarely face the fact that this planning business is inherently difficult and uncertain. Much will have to be learned. The first steps cannot but be tentative. What they will lead to, how much will come of it all, no one can say. A generation will elapse--so much I will venture to forecast--before anything of real effect can be accomplished. And at the very last and very best, complete stabilization of progress, or rather its complete orderliness, is not attainable. The most we can hope for is the mitigation of the pains of progress. The hopes and schemes for planning promise no quick remedy, nor even a complete one."

"Doctors, Economists and Depression"
F. W. Taussig,
Harper's Magazine
August 1932

Preserved Liberty and Planned Economy:--H. F. Payer

"When our Constitution was conceived 148 years ago, it was not the conception of a day or a magic hour that struck off a finished document. Almost two hundred years had struggled to give it birth and its ancestors in direct lineage were the constitutions and charters of Colonial America. Many generations of experience with these formed the background upon which the Federal Constitution was inscribed. And it is on this account and because American intelligence has been willing to profit by experience and make the Constitution keep pace with human needs that it is today a vital dynamic charter of liberty."

"An evolutionary constitutional representative government, while preserving personal and political liberty -- is substituting the concept of a planned economy for an unregulated laissez-faire, and on this middle ground, under the flag of our constitution, wage the economic battle of our age; seeking to achieve economic freedom, regular employment, economic security and equitable distribution for our people through a self-governed and self-disciplined and efficiently managed industry and agriculture; allowing a maximum scope for individual enterprise exercising only such minimum control as is required 'to prevent the free activities of individuals from causing more damage in their impact upon each other than they add directly to the common good.'"

"The Constitution"
Harry F. Payer
Radio Address - Sept. 17, 1935

Government Must Maintain The Economic System:--R. G. Tugwell

"But I must insist that our circumstances have changed. The plowman no longer homeward plods his weary way; he rides a tractor. Natural resources can no longer resist, with the same effectiveness, our instrumentalities for their exploitation. Our economic course has carried us from the era of economic development to an era which confronts us with the necessity for economic maintenance.

"This era of maintenance is the era of our present and future existence. The inextricable interdependence of its multiple factors demands a new control, a control designed to conserve and maintain our economic existence. As the Government 'interfered' in days of free-competitive exploitation--with bonuses for production, tariffs, grants of natural resources, anti-trust acts, and prescriptions for raising two blades of grass where only one grew before--I have felt that the Government must now intervene in other ways to conserve and maintain the industrial system which was developed here."

"Government in A Changing World"

Rexford G. Tugwell,

Review of Reviews,

August, 1933.

Plan For Economic Democracy:--Henry A. Wallace

"This production control machinery is an example of economic democracy because it guarantees to every farmer who takes part some voice in making key economic decisions--decisions which affect the income he will get from a given product. In the determination of his acreage allotment or his production quota, he has more to say about his economic welfare than he has had at any time since our modern industrial capitalism got into the saddle. In the enforcement and the administration of individual allotments, local self-government is more real, more significant, than it has been for 75 years. Perhaps most important of all to the spirit of democracy, the farmer under the adjustment programs of the past two years has come to know, concretely and specifically, that he is a part of the whole. The government has sufficient interest in him to let him have an interest in the government.

"In a pioneer nation the virtues which are of necessity exalted are the virtues of strong individualism, the belief that the good of the whole is best advanced by each individual doing to the utmost whatever he chooses to do, without regard to his neighbors far or near. Probably that philosophy is essentially the right one as long as land remains to be settled, and frontiers to be conquered. But since the nation has conquered its frontiers, and since imperialistic ventures elsewhere seem neither possible nor desirable, the need for a philosophy that lays emphasis on the relation of the part to the whole is increasingly necessary. There are not enough Monticellos to go around. There are industrial systems to operate. The time has come when we shall have to learn to live together.

"In the old days the smart thing was to know how to outguess your neighbors. When things looked blackest, the shrewd fellow bought out his neighbors, and profited on the upswing. Or, if he were a very large operator as well as a

very smart one, he might even find ways to manipulate things a bit and profit on the downswing as well as the upswing. This, in time, entitled him to vast wealth and respect.

"Whether he knew it or not, this man was profiting at the expense of society. It never was decent; now it is not even practicable. The part can no longer profit at the expense of the whole. Many individuals and some short-sighted minority groups do not realize this yet; they still come to Washington to ask the Government for monopolistic powers which will benefit them, and them alone. If they succeed, I say to you frankly that their success will be the nation's destruction.

"The striving of a multitude of minority groups for governmental powers to be used irresponsibly and greedily, is perhaps the most acute political and economic problem in America today. Please do not misunderstand me: the right to possess governmental powers must be granted to every group once it has been granted to one. That die was cast in Hamilton's day, not ours. But the privilege of possessing these governmental powers simply must imply an obligation to the national interest."

"Thomas Jefferson: Practical Idealist"
Henry A. Wallace,
Address, April 13, 1935.

Plan For Limited Objectives And Maintain Personal Liberty:--James Truslow Adams

"We do not know what the effect of the great Plans would be. We read them but we do not believe that in reality any of them could be put into practice under present conditions. They are merely a sort of high-brow movie performance which we attend because we wish for escape and to avoid deciding specific problems, preferring the much easier work of planning a dream world instead of working for some specific object in the unhappy but actual one. It is easier to talk about abolishing Congress and substituting a body of expert supermen than it is to get down to tacks, and try to bring all the influence we can to bear to make Congress do what it ought to do. The latter, however, is the far more useful and important job.

"If we cannot settle some of the national and world problems individually, which, if settled, would go far toward restoring normal business activity, I do not believe for a moment that we are going to get anywhere by making blue-prints of how we shall reform everything at once. No one ever found the pot of gold at the foot of the rainbow. Plan we must, and as hard and as quickly and as sanely as we can. But we must plan for limited objectives, success in which may be within the scope of our powers and understanding. We have got to work our way out of the present depression, and after that we have got, as the report of the Committee on Recent Social Trends says, to transform our civilization into something which we can now only dimly discern! To do that we shall have to keep the realities of the situation in view, and among these realities are national opinion, habits and character, and our limited powers both of understanding the complexities among which we are moving, and of predicting the results of our actions.

"I believe that if we would for a while stop making grandiose but impossible plans or talking about avoiding revolutions by scrapping the constitution, and instead would tackle the specific problems which are becoming more and more clearly understood, we would make more rapid progress toward that restoration of our economic life which is essential.

"I see no reason to despair as yet of our solving in the long run the problem of harnessing the machine to human happiness and welfare. We can only do so, however, by maintaining personal liberty. All plans which insist upon keeping our things only at the expense of the independence of our selves are gospels of despair. It is no intelligent solution of the problem of poverty to put every one from top to bottom in the workhouse."

"America's Real Job"
James Truslow Adams,
Scribner's,
April, 1933.

To Insure Initiative And Distribution, Must Plan:--Wells Wells

"Our society is founded upon the faith that the prosperity of the employing Few is translated into the well-being of the laboring Many. Our industrial system rests upon three theories, namely, (1) that individual initiative is a priceless heritage which can be stimulated and conserved only by competitive struggle, (2) that the profits of industry percolate down through the strata of industry, spreading horizontally among all classes through the avenues of commerce, and (3) that enlightened self-interest is adequate guaranty of the practical operation of the percolation theory.

"If the first two propositions are true, they have never been tried, while enlightened self-interest, alone, seems no longer sufficient guaranty that the blessings of prosperity can be equitably distributed in wages. The price of prosperity must be paid, despite the poverty of our great possessions. The serene confidence that unbounded wealth will automatically adjust industrial displacement is a hope founded upon a wish-fantasy. Our industrialized society must devise some plan which will insure the preservation of individual initiative and the adequate distribution of the profits of production.

"There can be no regulated limitation of production without bureaucratic control. Technocracy is the technician's approach to the problem. Its proponents insist that it is a purely scientific research; but it is inevitably political, for it is a frontal attack upon the entire 'price system.'"

"Capitalism Has Never Been Tried"
Wells Wells,
Scribner's,
April, 1933.

Local Governments Cannot Handle The Problem:--Lane W. Lancaster

"The wasteful and unwise use of land and the competition of areas of virgin soil have for years been erecting a new, far-flung national domain. In

the last ten years the area of land in crops has decreased in every State east of the Mississippi, as well as in Louisiana, Missouri and Arkansas, as a result of the opening of new areas in the plains States, the development of dry farming and the mechanization of agriculture in the prairie sections. During the same period the wide use of the tractor has eliminated about 9,000,000 horses and mules, thus releasing for crop production between 25,000,000 and 30,000,000 acres formerly devoted to pasture and the raising of food for animals. In the forest regions of the lake States millions of acres of cut-over land are reverting to the States, counties or townships through non-payment of taxes. The same thing is taking place on the Appalachian slopes, in Florida, in New England and New York and in portions of the Pacific Northwest. In New York State alone the abandonment of farms has been taking place at the rate of 100,000 acres a year for forty years and during the last five years the pace has been more than doubled.

"Although these developments have not necessarily increased the supply of land theoretically available for cropping, they have created problems which call insistently for a new land policy. Obviously, government cannot continue to operate successfully in areas where its means of support are constantly dwindling while the demand for public services remains relatively stationary. Every time land returns to the local government and ceases to pay taxes the cost of continuing such services as highways, schools and public health work can be met only by increasing the burden upon the property which is still capable of bearing taxes. In the end this produces more delinquency. Local governments in such rural regions are caught in a vicious circle from which they lack the legal power to escape.

"The disposition of vast areas permanently unfitted for cultivation demands organization, which is being created only slowly and which is, moreover, likely to prove inadequate until far-reaching changes have been made in the structure of government. Land returned to public ownership may best be dealt with by devoting it to such uses as forests, wild-life refuges, parks and recreation areas; the specific use of each tract can be determined only after a careful survey of its particular qualities. The development of such a program is beyond the resources of existing local governments. In a county or township where less than half the assessed valuation is actually paying taxes, but where there has been no corresponding diminution in the demands for governmental services, it is obvious that aid must be sought from the State.

"This situation leads directly to a reorganization of local government, since aid from the State is not likely to be forthcoming unless concessions are made by the local unit, and such concessions inevitably entail the surrender of some degree of local self-government. While such a development will be resisted by every local vested interest, it cannot be held back forever. In the end, and perhaps within a few years, the demise of the fact of local self-government will be formally gazetted, no matter what becomes of the theory. The theory, after all, was devised to meet the requirements of an ox-cart age. In an era of rapid communication and transportation, of an economic life concentrated in a few centres, yet national and international in its ramifications, the practice of local self-government must be surrendered. No longer is our civilization centred at the town pump or the hitching rail of the court house.

"If the farmer is to adjust himself to a world dominated by a price economy over which he has hitherto had little or no control, he must realize the fundamental factors which determine his present position in that world;

he must face the truth that he belongs to a dwindling breed. Whatever may be the present apparent loss in potential profits and individual freedom of action, he must find a way of regulating his output. Whatever his traditions of local self-government, he must stand ready to reorganize his present complicated and costly system of local areas and adopt a new one consistent with the demands of efficient administration. His well-worn notions of democratic equality and the virtue of homespun common sense must no longer permit the neglect of the findings of experts in the field of public finance and administration."

"Sidestepping The Farm Problem"
Lane W. Lancaster,
Current History,
May, 1933.

Burden Of Proof Should Not Be Shifted:--Walter Lippman

"The division of powers in a Federal system cannot be controlled by an abstract formula: It is a matter of continual adjustment which defies man's capacity to sum up his intentions in a few phrases.

"To talk about the necessity of amending the Constitution without first finding out whether such an amendment could be written seems to me political recklessness to the verge of suicide. It simply arouses unlimited fears and unlimited hopes. If and when the proposal is reduced to writing, it will transpire that the new amendment is either (1) an intolerable centralization of power, or (2) a meaningless jumble of weasel words. If it is a meaningless jumble of weasel words, which is what it is most likely to be, it will be looked upon by the majority of the voters as (1) a vote-catching device or as (2) a furtive attempt to abolish the Federal system by men afraid to declare their intentions.

"I am perfectly willing to admit that I am very glad that it is impossible to write an amendment that would make sense and could be ratified. This is not because I object to some extension of the Federal power. It is because I think the only way to extend the Federal power safely and intelligently is to prove the need overwhelmingly in each specific case. The burden of proof should rest on those who wish to extend the Federal power. They should be compelled to bring in conclusive evidence that each particular bit of legislation is required by a genuine and important national necessity. The trouble with this suggested amendment is that the only thing its sponsors are really agreed upon about it is that they do not wish to have to prove conclusively that each extension of the Federal power is necessary. They would like an amendment which would relive them of the burden of proof and would give them a free hand.

"Even if such an amendment could be drafted, I feel sure I should be opposed to it precisely because I am convinced that the burden of proof should not be shifted, and that Congress and the Administration should not feel they have a free hand."

"A Way To Commit Suicide"
Walter Lippman,
Today,
July 27, 1935, P. 3.

Must Amend To Permit Congress To Do What People Want:--Raymond Moley

"For a generation, the paramount problem in this country has been the readjustment of our economic machinery so as to give a decent standard of living to the largest possible number of people. It has come to be taken for granted that government must exercise some control over economic forces, which, if unrestrained, would destroy those social values that have always been democracy's justification and purpose. Despite the fact that there are those who look with misty eyes upon the self-contained communities of the past, economic processes have become more and more national. This drift can no more be checked than the Machine Age itself can be disestablished.

"One of the keenest students of constitutional language in America, Howard Lee McBain, Ruggles Professor of Constitutional Law at Columbia University, made it clear in the New York Times on July 7 that the basic economic changes proposed by the New Deal cannot be preserved without constitutional amendment. In other words, the establishment of the relationship between the government and business for which the people voted in 1932 and 1934, cannot be held without amending the Constitution.

"I am not blaming the Court for its decision in the Schechter Case. I think it properly took the position that as the Constitution now stands, the NRA was unconstitutional. We are therefore reduced to the necessity of amending the Constitution in order to permit Congress to do what the people want it to do. I am not arguing that Congress be given a blank check to legislate as it sees fit. I would retain the Supreme Court to pass upon the constitutionality of laws."

"A Reply To Mr. Lippmann"
Raymond Moley,
Today,
Aug. 3, 1935, Pp. 12, 13.

A Farmer Protests:--Glenn Birkett

"'Twenty percent less production,' remarked Alexander Legge shortly before resigning the chairmanship of the Farm Board, 'would bring, conservatively, twenty percent more money than farmers are getting now for what they produce.' To bring about such a decrease in production, or otherwise to raise farm prices the board for which Mr. Legge spoke has, by act of Congress, large powers and an appropriation of \$500,000,000.

"At the same time the Bureau of Entomology of the Department of Agriculture (to select just one example), with 545 entomologists and with the prestige and taxes of the Federal government behind it, is laboring to prevent insects from doing, in part at least, the very thing that the Farm Board, backed by the taxes and the prestige of the same government, is attempting to do.

"Penelope, knitting by day and raveling by night, has nothing on the guardians of our agricultural progress!

"The Department of Agriculture, with its attendant chain of colleges, demonstration farms and experiment stations, is goading production. It enlists in this cause an endless chain of 250,000 volunteer local leaders. (The flattery

of small distinctions has always proved a powerful bait in beguiling farmers into nonsensical 'programs' and in holding them in line.) This whole vast system, with a third of the 'leaders' working with 600,000 plastic 4-H club children, is constantly on the job, stimulating production, filling the ether with fairy tales about scientific increases in the yield per man, per woman, per child, per acre, per cow, per hen. How can we reconcile this use of tax millions to stimulate production and the use of other millions at the same time to educate the farmer to produce less? Which of these two, if either, is farm relief? Millions for one must be counterbalanced by millions for the other, and the two sets of relievers relieve us of billions.

"My own solution for the farm problem may sound absurd, for it gives no one a snug little two-thousand, three-thousand, four-thousand-dollar-a-year government job; but it is a solution that I find gaining favor among farmers in this part of the world. I say: Leave us alone! Utterly alone. Completely withdraw all units of government from all phases of farming, from all stimulation, from all restraint.

"The crowning evil of paternalism is the belief that the cure for its ills is more paternalism. Patchwork on top of patchwork means confusion multiplied. To the blunders of reclamation and the 'two blades of grass' propaganda have been added, already, the well-intended blunders of the Farm Board. Stabilization maneuvers and all such measures create, aggravate and perpetuate the very evils they propose to overcome. The British tried the thing with rubber, and failed. Brazil tried it with coffee, and failed. America now has tried it with wheat, fortunately a crop with a quick seasonal turnover, and so has been permitted to recognize the futility of the idea quickly, without awaiting the lesson for many weary years.

"I can think, indeed, of no form of governmental intervention between agriculture and the natural workings of the law of supply and demand which does not carry in the long run a boomerang threat of injury to agriculture. The St. Lawrence Waterway project sounds gorgeous on paper, but suppose it should turn out, after all, that Russia can raise wheat more cheaply than we can. That canal would run two ways. With its aid Russian wheat might conceivably be set down in the Dakotas at less than the home-grown price. You can't build a one-way fence.

"And as to the thousands of people who in Smith-Hughes schools and 4-H Club work are getting millions of dollars to induce farm boys and girls to stay on the farm and to add to the cheap food surplus, I say that this is a traffic in human souls and possibilities which is utterly arrogant, unwarranted, patronizing, undemocratic and unfair.

"Are the sons of plumbers automatically trained, cajoled and bent by government 'educators' to the end that they be plumbers? The sons of bankers, to be bankers? The daughters of seamstresses to mend and sew? Of course not. The profession of farming is, I believe, uniquely favored by the ministrations of the government in this respect.

"A friend of mine once went to the late Dr. Cyril G. Hopkins to enlist his support for 'ruralized' education in all such secondary schools as happened to be located out from town. Dr. Hopkins was, in my opinion, one of our few really great agricultural scientists. He never surrendered, mentally, to the

lure of the stuffed snirt. He refused to indorse the plan of my friend, the zealot. 'I can think of no more certain way,' he said, 'to set up an American peasantry.'

"I have three boys and a girl. I want them educated, but I don't want them educated to be farmers or be the wife of a farmer. I want them to be educated as human beings, as Americans, with all of the possible careers and occupations to choose from--no limits and no handicaps. Education for a country child should be as broad as for a city child. Occupational education is inevitably narrowing; it stunts and limits.

"Being human, I hope that one of my children, at least, will follow in the occupation that their father and mother have chosen. My oldest boy seems to have those tendencies which make of one, in the face of all reason but happily, a farmer. He can look at a tree or a corn plant and talk about how wonderful it is--naturally, without the forcing of organized sentimentality or reward from the packers of a trip to Chicago or the right to wear a 4-H Club pin.

"It makes me glad, the thought that someone of my own blood, who loves these fields and these tall spruces as I do, will probably take them over after I am gone. But I am determined that I will not move an inch in the direction of persuasion. That boy and all my children shall have just as broad, just as thorough an education as I can obtain for them. If they choose to farm, let them do so in the knowledge of all that they are giving up, as well as of all that they are gaining.

"No matter where a man farms, and no matter what he decides to raise, he should realize that he is assuming the hazards of a business. State and Federal governments should recognize this also and not penalize him for succeeding or reward him with subsidies to keep him in business if he fails. Hands off, absolutely, for agriculture as for other businesses, so long as we all stay within the law! That, I think, is sound American doctrine, and fair.

"Individual manufacturers hire their own experts and managers. Take government management off the neck of agriculture. Let such individual farmers as feel the need of a nurse hire one of their own."

"Leave Us Alone"
Glenn W. Birkett,
The Country Home,
July 1931.

Planning Will Lead To Uncertainty:--W. W. Case

"As to the difficulties inherent in the program of production curtailment--in itself a desirable objective--through the leasing of land, agreements, etc., it need only be said that the problem of administering the various restrictive measures and agreements throughout the country both effectively and honestly will be obviously very great. It is hard to see how it would be possible to prevent a large number of disputed cases, that must eventually be thrown into the courts, some of which would doubtless be

carried to the Supreme Court, in the meantime hampering administration and discouraging cooperation.

"The uncertainty that would be injected into all business activity in any way involved in the commodities concerned, in their products, and in any competing ones liable to compensatory taxes and duties, would be a heavy burden on business recovery. The utter lack of assurance of permanency of the rates, the certainty that many of the alterations, because of the magnitude of the task and the absence of adequate guiding principles for the determination of the rates, would be in a large measure arbitrary, together with the unpredictability of the character or time of the changes when made (resting as they would in the discretion of one man), would introduce a highly speculative element into all stages of the handling of the commodities. Virtual power of life and death over particular industries and businesses would rest in the hands of a single man, through both his rate manipulating and licensing powers. Subject only to the most indefinite instructions of the bill, control would be exercised over not only agriculture, but a good part of industry as well, by a man officially representing the interests of a class, and selected for his devotion to such interests.

"Moreover, through the very completeness and lack of qualification of his power, he and his staff would inevitably become the focal point for overwhelming pressure from a mass of special interests representing not only agriculture but a good part of industry, all seeking concessions, modifications, adjustments, compensations. Such pressure no man or group of men could be expected or should be required to withstand. The very completeness of the authority granted would all but insure the corruption of the weaker links of the organization.

"That the farmer merits relief is generally agreed. Alleviation of tax and interest burdens would, however, leave him as well off as many city workers, and with a sense of security of livelihood that few of the latter enjoy. But the farm bill, with its assumption of control over production and prices in agriculture and much of industry, in the interest, moreover, of a single class, must lead eventually, for the protection of the rest of the population, to the extension of similar control over all industry as well. If we are ready for the Russian experiment of control in this country, the farm bill will be a long step in that direction."

"The Fiction Of 1909-1914 Parity Prices"- The Annalist
W. W. Case,
April 14, 1933

We Have Prospered Under Local Government:--Frank O. Lowden

"The very cornerstone of our government is the division of power between States and the Central government. We call this the Federal principle. For a century and a half the Federal principle, born in America, has been applauded by the world as the only way by which the people over a large territory could successfully govern themselves.

"It is commonly recognized that popular government is effective only when it is in accord with public opinion, and, as every one knows, public opinion differs widely in different States, owing to geography to occupation, even to the tastes of the inhabitants; and therefore we find anything but uniformity in the laws of the several states. And who is so well fitted to shape the legislation of a state to conform to the public opinion therein as the state itself?

"Local self government not only knows better the needs and aspirations of that community than any centralized government in Washington can know them; it is the nursery of patriotism and the training school of public servants for larger tasks. Substitute for the official, chosen out of its own membership by itself, a bureaucrat set up by Washington and you have destroyed the very base of local self government.

"The principles expressed in the Bill of Rights are not true simply because the Constitution recites them. They are true because mankind, in its efforts for a better, more just society, had found the maintenance of these principles was the foundation of all human progress.

"These principles are not sound because the constitution declares them so. The constitution is sound because it recognizes and gives expression to these fundamental human rights.

"Under our system of government we have become the richest nation in the world. We still have unrivaled natural resources. We still have an intelligent, self reliant citizenship. We have reached a higher standard of living than has ever existed anywhere in the world. We have developed a productive power in every field of activity, which should further greatly improve the standard of living. We have accomplished all of this under our free institutions.

"The stage is set for progress greater than any we have seen. What greater folly could we commit than to scrap the institutions under which these gains have been made?"

"The Federal Principle"
Frank O. Lowden,
Address--June 10, 1935

Delicate Balance Of Power:--Herbert Hoover

"Our constitution is not alone the working plan of a great Federation of States under representative government. There is embedded into it also the vital principles of the American system of liberty.

"The rights and protections of the Bill of Rights are safe guarded in the constitution through a delicate balance and separation of powers in the framework of our government. That has been founded on the experience over centuries, including our own day.

"Liberty is safe only by division of powers and upon local self government Liberty never dies from direct attack. No one will dare to rise

tomorrow and say he is opposed to the Bill of Rights.

"Liberty dies from the encroachment and disregard of its safeguards. Its destruction can be no less potent from ignorance or desire to find short-cuts to jump over some immediate pressure.

"In our country abdication of its responsibilities and powers by Congress to the Executive, the repudiation by the government of its obligations, the centralization of authority into Federal Government at the expense of local government, the building up of huge bureaucracies, the coercion and intimidation of citizens, are the same sort of first sapping of safe guards of human rights that have taken place in other lands. Here is the cause of anxiety and concern to thinking citizens of the United States."

"American Bill Of Rights"
Herbert C. Hoover,
Address,
September 17, 1935.

Divergence of Bureaucracy and Cooperation:--Herbert Hoover

"The assertion is made that these Regimentations or National Planning are merely extended co-operation. Civilization dawned when the first group of men acted in co-operation, and men have ever since divided over how far they should be forced to group action or whether they should join of their own free will. Our American civilization is based upon the maximum of free will in an ordered Liberty. Aside from the very philosophy of Liberty, the practicalities are that when free men come together in economic life they pool a wealth of practical experience and conscientious responsibility. They are compelled to find workable methods of co-operation. Over every deliberation hangs the sobering threat of personal loss for a wrong decision. There is no one to whom the cost of error may be passed. But under coercive co-operation by government, the final determination of method for the joint action is made not by men of large experience in practical affairs, but by government agents--often by men wholly lacking in both vision and ability. The bureaucrat is above accountability so long as his political support holds. Co-operation appraises its methods and consequences step by step and pays its bills as it goes. Bureaucracy rushes headlong into visions of the millennium and sends the bills to the Treasury."

"The Challenge To Liberty"
Herbert C. Hoover,
Pp. 110, 111.

Government Planning Is Contrary To Natural Laws:--Albert Henry; A. G. McGregor

"The regulation of agricultural production may appear tempting at first sight, but a moment's reflection shows that it tends to substitute to the natural law of supply and demand, that always acts in favour of the masses, an empirical organization operating for the sole benefit of a single class of citizens. Moreover how can agricultural production that depends upon meteorological conditions be controlled? Such regulations would be a premium to

routine and to sloth detrimental to all progress. Complaints are heard of the number of bureaucrats, yet their number would have to be enormously increased to ensure the observation of such regulations by millions of farmers.

"The common feature of all these economic remedies, with the exception perhaps of those concerning credit and co-operation, is that they are artificial. Those who propose them would seem to have wiped out the natural laws that govern the world; they are blind to the point of believing that the schemes of men whose knowledge is never infallible can take the place of spontaneous forces slowly formed by economic events. The facility with which such spontaneous organizations, in perpetual evolution, adapt themselves to changing circumstances contrasts with the crystalization of official institutions. That itself would suffice to kill confidence in the efficiency of the latter.

"There are currents that cannot be withstood and that sweep away whatever obstacles are placed before them. Whether one likes it or not, in agriculture as in industry constant effort remains the sole law of existence, it is the source of progress, and the rural population will lend itself all the better to the necessities of progress if it has a strong feeling that it is to its interest to do so. Everything that tends to divorce in its mind the idea of welfare from the idea of effort must inevitably work to its detriment.

"General Problems Of Agriculture"

Albert Henry,

World Trade,

October 1930 -- pages 336-337

"The Government control of industry with a view to controlling output and prices thwarts the operation of the laws of supply and demand and the survival of the fittest, and leads into deeper and deeper water, and the seeming need for many more complicated Government responsibilities.

"Government interference with the law of supply and demand and the survival of the fittest results in attempts to keep alive the high cost producers in industry to the disadvantage of the low cost producers. To cause hand-labour to compete again with the machine, forces the well-equipped producers to operate at part capacity, and causes precarious livings to be eked out by inefficient methods. Prosperity means high standards of living. High standards of living are possible only through volume production and the correct distribution of the return from industry between the savers and spenders."

"Treat The Cause of Depression, Not The Symptoms"

The McGregor Plan,

A. G. McGregor,

1934 -- P. 29.

Individuals Will Not Voluntarily Conform:--May Stacy

"Three questions arise, answers to which would appear to be necessary for any appraisal of the proposed measures for national planning. First, What need is there for new centralized agencies to gather, correlate, and interpret current economic statistics and to recommend economic policies? Second, What are the prospects, in our individualistic competitive system, of inducing private business concerns voluntarily to limit their production or sales policies in conformity with plans drawn to promote general social welfare? Third, What form would be taken by recommendations for legislation to enforce national economic policies, when voluntary co-operation was not forthcoming? These are all extremely complex and controversial problems. It is earnestly hoped that you will accept what is said about them as the humble opinions of one individual, expressed in such condensed form that they may well seem to reflect a dogmatism that is not intended.

"First, then, there are numerous agencies gathering, publishing, and interpreting statistics about almost every conceivable detail of American economic life. Such work is done by trade associations, by many official agencies of the several states, and on an impressively large scale by various federal departments and governmental bureaus. In spite of the fact that there are serious gaps in our economic data--we have notably deficient information about unemployment and about inventories--it is not clear that such gaps cannot or will not be filled by existing agencies.

"On the other hand, there is real reason to believe that interpretation of economic statistics has not kept abreast of their collection. If a national economic council were composed of men with sufficient insight and prestige, it is quite possible that it might perform valuable services. It would be in a position to make unified interpretations of data gathered by the many existing agencies and to command for such interpretations a much wider public hearing than existing agencies are able to achieve.

"As to whether or not it is reasonable to hope that private business concerns will voluntarily adopt programs in conformity with a centralized plan, experience in this country would dictate a healthy skepticism. When Mr. Ilin, in the phrase from New Russia's Primer, says that American industry has no plan, he is correct only if that statement is to be interpreted as meaning that we have no one concerted plan for all industries, which would be comparable to the Five-Year Plan of Soviet Russia. But while we have not a plan, it is hardly exaggeration to say that the number of our plans is legion. Many of them, furthermore, are of national scope. The only difficulty is that there has been pitifully little success in getting private enterprise to conform to them. One or two conspicuous examples may be cited.

"Since 1928, the Bureau of Agricultural Economics of the United States Department of Agriculture has issued annual reports on the 'agricultural outlook.' It attempts to help farmers make intelligent planting and breeding plans by supplying them with estimates of the probable market conditions at the time when their crops and animals will be ready for market. These reports are based on the best available information, domestic and foreign, on production, supply on hand, demand, and prices. Conferences are held at intervals to interpret this data upon a regional basis. Extension services in each state take the

general figures and recommendations and recast them in such a form as to make them peculiarly relevant to the problems of each state.

"The Bureau, in co-operation with state agricultural experiment stations, has made also elaborate studies of land resources, settlement, utilization, appraisal, value and tenure. It has, as its avowed purpose, the development of a national policy for the most efficient land utilization.

"In addition, the Federal Farm Board has aided in the promotion of systems of co-operative marketing agencies for most of the important agricultural products. It has attempted to control price and hence production in the fields of wheat, cotton, and butter. From a \$500,000,000 fund it has made loans to co-operative associations and stabilization corporations. It has set up ten advisory commodity committees for developing plans for improvement of conditions in the fields of as many commodities.

"It is difficult to visualize how any program for national economic planning which did not throw over free private enterprise and adopt compulsive tactics, could go farther in any one field than that which is now in existence for agriculture. And yet it would take a hardy, perhaps a foolhardy, enthusiast to claim for this elaborate program of national agricultural planning a conspicuous degree of success.

"The difficulties are largely inherent in the system of free private enterprise. Few wheat farmers are ignorant of the fact that there is too much wheat to be marketed profitably. And yet if a few socially-minded growers plant less in a given year, while others plant as usual, the price is substantially unchanged, and the altruists find their incomes reduced while the interest on their mortgages and their taxes remain constant as the dawn. But if the millenium were to come, and a majority of wheat farmers were to cut their planting in two, it would then be highly profitable for individuals to diverge from the general program in order to have more wheat to dispose of at the profitable price level. It seems that enough are wont to succumb to such temptations to spoil the general programs.

"If it be urged that farmers are notoriously individualistic, comparable difficulty may be cited in enlisting co-operation in industrial fields. The bituminous coal industry is admittedly in a chaotic condition. For years it has been limping along with a productive capacity of from 50 to over 100 per cent in excess of current demand. Unemployment is habitual, wages inadequate, profits sporadic, and losses chronic. The National Coal Association, the American Mining Congress, and the Council of American Mining Engineers have all devoted the most painstaking efforts to the task of diagnosing the industry's ills and planning remedies. Leaders of the industry agree that the stumbling block has been that no substantial co-operation has been achieved among the rival coal producers. Many have expressed the opinion that such co-operation is impossible of achievement upon a voluntary basis.

"The cases cited may well fall under the head of horrible examples. But it would be difficult to find instances where voluntary conformity to general programs has been adhered to when individuals have found it profitable to digress. It is now urged that effective collaboration is prevented by the anti-trust laws, and hence their repeal or modification is advocated. But under current judicial interpretation it is perfectly legal for a trade association

to gather and disseminate to its members complete information on the affairs of its industry. It may analyze this information in such a way as clearly to indicate policies which will promote general industrial welfare. It may not coerce its members to collaborate in promoting such policies. If the anti-trust laws were repealed it would be legal, presumably, to urge or require trade association members to enter into contracts binding themselves, for example, to adhere to given production quotas. But it is difficult to see why concerns which are unwilling to conform voluntarily to such policies, would voluntarily enter into such contracts. It would be easier to withdraw from the association.

"Taken as a whole, then, the record of voluntary adherence to general programs on the part of American industrialists has not been inspiring, in peace times at least. It is difficult to see why one logically should expect more from it in the future.

"The whole criticism of programs for national planning may be reduced to this: Centralized planning and the exercise of individual initiative are fundamentally opposed. One can be promoted only at the expense of the other. The great difference between the economy of Soviet Russia and that of the United States is not that Russia has a centralized plan where we have none--it is that they have a highly centralized, socialistic system for carrying out a national plan, while we depend for our industrial adjustments primarily upon the individual decisions of private business executives. The men who direct private business must base their judgments upon the trend of markets as reflected in prices. When an attempt is made artificially to control prices, while judgments as to production and sales policy still are left in private hands, grave and cumulative errors necessarily are made. For, since governmental boards are not actuated by strictly commercial motives, their policies are not predictable in strictly market terms. In this way a little planning may be a very dangerous thing."

"Federal Planning"

May Stacy,

Address--Economic Series,

National Advisory Council on Radio Education

Difficulty In Enacting:--Herbert Hoover; James Truslow Adams

"Above it all there arises the question of how these masters of our farms, our factories, our stores, our daily lives--with power to deprive citizens of property and income or even to send them to jail for selling goods cheaper than a competitor--are to be selected. No one is so foolish as to believe they can be elected. No one believes that genuine judgment and experience to direct economic activities can be determined by written examinations. No one believes that selection by political tests will produce these qualities, but they will be selected for politics nevertheless. Leadership to command in economic life cannot be picked by bureaucracy; it must be ground out in the hard mills of competition. Genius cannot be created by bureaucracy; it must push upward among free men.

"It is worth remembering, also, that so long as we continue as a democracy, then leading government employees shift every few years to new and inexperienced men--whereas industry thrives only with continuity of leadership."

"The Challenge To Liberty"

Herbert Hoover,

Pp. 115, 116, 117.

"Every ruler is confronted by the problem of the human tools with which he has to work. Now ever plan appears to assume the existence of men of super-human wisdom to work it. It is admitted that our leaders made a great muddle of it all in 1929. But the mere transferring of any of these men from the White House, the Treasury, the presidency of a bank, the chairmanship of a great corporation, the chair of economics at a university, a soap box in Union Square, or what-not, to a place on some glorified "committee of central control" is not going to give him any more wisdom than he had before."

"America's Real Job"

James Truslow Adams,

Scribner's,

April, 1933.

The Personal Equation:--Bernard M. Baruch

"No laws, by themselves, will get us out of our troubles. Natural laws cannot be opposed successfully by legislation for long. Spiritual and moral values must be restored, and common sense and simply honesty must return."

"Liquidating Our Follies" -- Today

Bernard M. Baruch,

October 27, 1934--P.4.

